

# SUMMARY MINUTES OF THE PORK SECTOR COUNCIL MEETING

ON 10<sup>th</sup> MARCH 2022

## TELECONFERENCE

**PRESENT:** Mike Sheldon (MS) – Chair, Robert Beckett (RBe), Robin Thompson (RT), Robert Mutimer (RM), Mark Houghton (MH), Tim Bradshaw (TB), Chris Aldersley (ChA), William De Klein (WDK), Adam Cheale (ACH), Rick Buckle (RB)

**APOLOGIES:** Rupinder Ashworth (RA)

### IN ATTENDANCE:

Tim Rycroft (TR) – CEO, Angela Christison (AC) - Strategy director – AHDB Pork , Chris Gooderham (CHG) – Head of Market Specialists (Dairy & Livestock) , Naveen Gupta (NG) – Finance Director, Finance Ken Boyns (KB) – Divisional Director – Services , David Eudall - Economics & Analysis Director, Market Intelligence, Liam Byrne (LB) – Marketing Director, David Eudall (DE) – Economics & Analysis Director, Nicola Dodd (ND) – Senior Marketing Director, Duncan Wyatt (DW) – Lead Analyst (Livestock), Chris Gooderham (CH) – Head of Market Specialists, Ian Ascroft (IA) – Governance Manager, Lenka Rihova (LR) – Personal Assistant (Minutes)

### Apologies for absence

The Chair opened the meeting at 8.30am and welcomed those in attendance. He reminded the Council that the meeting was being recorded.

Apologies were received from RA.

### Declarations of Interest

There were no new declarations of interest.

### Minutes from the meeting held on 19<sup>th</sup> January 2022

The minutes from the meeting held on the above dates were accepted as a true record and will be signed by the Chair.

RB attended the meeting on 19<sup>th</sup> January.

### Matters arising

All the matters arising, and action points were either completed, on the agenda or in hand.

AC reported on the action re the accuracy of reported cull sow numbers and whether it is compulsory to report the figures to Defra. It is compulsory to Defra, however not on a weekly basis. The slaughters and the sow numbers are accurate monthly through the Defra reporting. AHDB publish a weekly estimate using a sample. If more accurate slaughter figures are required, both for finished pigs and sows, processors would need to submit, on a weekly basis, the total number of pigs slaughtered.

There was some confusion over the data that are being submitted to AHDB by processors. A comment was made about a possible delay in the past due to Competition laws.

The Council agreed that the industry requires the most accurate and timely publishing of the total kill within England. It is vital to check out the existing data flows, publishing timetables and mechanisms and to fill in any gaps by collaboration and cooperation. If that was still unsatisfactory, it would be a matter of going to Defra to add to the level of compulsory reporting.

In principle, there were no objections from the processors to submit the detail numbers killed. There are some practical & IT issues to overcome. This is an important step for the industry and AHDB. It will give improved evidence to advise industry and government, particularly during the crisis. The aim is to give a much more accurate report on a weekly basis.

### Directors Report

The report was taken as read.

AC reported on environment work around the Farming Rules for Water. Jon Foot and his team have been working with NPA and others to steer government towards a risk-based approach to move towards a transition timetable.

The Chair expressed his gratitude towards Jon Foot, Lizzie Wilson and others for their work and collaboration between AHDB and NPA. RM noted that Jon Foot's input was invaluable.

### **Update on Shape the Future**

CHG presented on Shape the Future, provided an update on registrations, and commented on validation checks, timeline and the voter portal structure. He presented examples of priorities & workstreams.

A list of questions has been requested by the Council so that it can be shared with various stakeholders from across their business.

WJ reported on the approach in the sectors, there is an overarching message and awareness going on across all sectors. A letter has gone out re the Shape the Future campaign and the registrations to vote.

WJ presented on the Comms plans, timelines and campaigns/events that are taking place. A press release will be published (top line results).

WJ thanked AC for her work and effort around registrations and other work in the pork sector.

Council Members were again asked to use their connections within the industry to promote registrations.

AHDB are approaching levy papers via various channels, including filling out paper forms or helping them to register over the phone.

### **Budget 2022/23**

The Chair introduced the subject to the Council. The presented budget is a continuity holding budget (doesn't anticipate the results of the Shape the Future). If modifications are required due to the outcome of the STF process, this will be possible and the forecast can be changed.

NG reported on the budget and commented on the macro issues. The budget is a holding budget and AHDB are anticipating changes. The budget is affected by the outcome of the STF vote and also by the final position on AHDB's VAT status. The budget attempts to be prudent – it is set on the worst case basis. AHDB is undertaking workstreams reporting and also introducing a different presentation if terms of how AHDB's expenditure is being incurred for the sector.

NG reported on the VAT position (possible outcomes), pension (AHDB's legal requirement to fund the MLC pension scheme) and the reserves target, which has been updated. NG reported on the new ways of operating cost management.

The Council members expressed concern over the proposed reduction in the budget for 22/23. Council requested AHDB to look at scenarios if levy income were to reduce by 15-20% based on current circumstances (concerns over exodus from the industry due to the losses already incurred by producers, which are now likely to accelerate with feed prices spiking following the Ukraine invasion).

A meeting to be organised to approve the revised budget.

The presented budget was not approved.

### **Cull and Render/Helpline**

The Chair provided a summary of the current work to assist the producers with a backlog of pigs on farms. There is no issue with getting people in to cull pigs, the issue lies with the mental health, practicalities, and the challenge of carrying out the work. There is an option for AHDB to assist NPA with funding a helpline for producers.

The Council's view was that there is already support around for those who might need it. It is key that all farmers have access to help when required. NPA are already taking calls from all producers.

The feed price is now the greatest concern in the industry as such it was agreed that AHDB will no longer pursue an off-farm cull and render facility or helpline for farmers, instead the ask is for more regular cost of production/margin reporting. And a 'simple' tool to allow farmers to put in their own figures to calculate the impact on their own farm.

### **Price Series Review**

DE joined the meeting at 10am and reported on the price series review that is currently taking place (how the SPP price is produced and used within the industry). AHDB are working closely with Defra to ensure there are no duplications. A paper has been written on the scope of work and will be shared with the Council for review.

DE reported on the team's work on the situation in Ukraine and the impact on grain, markets at communications (a lot of press queries). AHDB are in the process of developing an online hub (pointing levy payers to resources with regards to managing high costs within their business). It is important to start looking at long-term implications.

Some concern was expressed over the timing of the price review in relation to the current matters. It is important to ensure AHDB are producing the right price reporting mechanism for the industry. The review has no impact on any other side of the business. It is key to review things on a regular basis to ensure AHDB are delivering the right thing.

A price series review will be conducted over the coming months and regularly after that to ensure the SPP remains as the most appropriate method.

### **Update on Marketing**

LB and ND joined the meeting at 10.20am and presented on the recommended Marketing Plan for 22/23. LB reported on the upcoming changes (attitudes, versatility, creating new content to engage the Gen Z audience). Key points covered:

- **21/22 Results**
- **Opportunities** (Affordability, Environment, Health, Gen Z audience)
- **Timings** of We Eat Balanced, Pork Mix Up, Always on social

The Council was supportive of the plans. It was agreed to tweak the marketing spend to reflect increased focused on Gen Z.

### **AOB**

A meeting with TIAH (The Institute for Agriculture and Horticulture) will be organised to establish the relationship between AHDB and TIAH.

The Chair asked the Council whether they would be prepared to share examples of contracts/supply agreements with AHDB. The purpose is to seek to understand how the agreements are structured, what they include/exclude. This is part of the Defra supply chain review. The Council was assured that the agreements would be anonymized, redacted, and treated in confidence.

There was a request for a 'simple' tool to allow farmers to put in their own figures to calculate the impact on their own farm. Tool already exists: <https://ahdb.org.uk/Pig-production-costs-calculators>

The outcome of the recent NPA meeting was that all major processors are anticipating that the backlog would be dealt with between 4 and 8 weeks from now.

The Council discussed a potential price increase with retailers (rising cost of production). It seems to be a concerted effort across the supply chain. The processors reported on butcher recruitment. There are still issues on farms, however butchers labour is a lot better than it was.

On behalf of the Council, the Chair thanked RB and ACH for their contribution to the Council. They are stepping down at the end of March.

TB has accepted an invitation to serve a second term and RBe has agreed to extend his term for another year. The Chair thanked them both for accepting their invitations to continue to serve.

The Chair reported on the Pork Sector Recruitment.

